

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
in its 2002 Nuclear Decommissioning Cost
Triennial Proceeding.

(U 39 E)

Application 02-03-020
(Filed March 15, 2002)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO

Pursuant to Public Utilities Code Section 1701.1(b), a prehearing conference was held in this proceeding on May 9, 2002, and the assigned Commissioner has prepared the following scoping memo.

Therefore, **IT IS RULED** that:

1. In this application, Pacific Gas and Electric Company (PG&E) requests:
 - Authority to increase rates to fund the nuclear decommissioning trusts for Diablo Canyon Power Plant and Humbolt Bay Power Plant Unit 3;
 - Authority to increase rates to fund SAFSTOR¹ operations and maintenance expenses for Humbolt Bay Power Plant Unit 3;

¹ SAFSTOR is a decommissioning alternative in which the nuclear facility is placed and maintained in a condition that allows it to be safely stored and subsequently decontaminated to levels that permit release of the property for unrestricted use.

- A Commission finding that the early and partial decommissioning project expenditures for Humbolt Bay Power Plant Unit 3 proposed in Advice Letter 2095-E are reasonable, and that recovery of the costs from the nuclear decommissioning trust should be allowed; and
 - A Commission finding that PG&E's revenue requirement calculation and rate proposal are reasonable.
2. The assigned Commissioner is Geoffrey F. Brown.
 3. The assigned Administrative Law Judge, Jeffrey P. O'Donnell, is designated as the principal hearing officer.
 4. The category is ratesetting.
 5. Hearings are needed.
 6. On March 21, 2002, Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E) jointly filed Application (A.) 02-03-039 for their nuclear decommissioning cost triennial proceeding. That application involves a number of issues that are also raised in this proceeding. At the prehearing conferences held in both proceedings, the parties agreed to hold joint hearings on the common issues, and separate hearings on issues unique to each application. The proceedings as a whole will not be consolidated. However, pursuant to Rule 55 of the Commission's Rules of Practice and Procedure, consolidated hearings will be held on the common issues for the purpose of developing a consolidated record on them. Consolidated hearings on common issues will enable more efficient use of the parties' and the Commission's resources, and provide a more complete record in each proceeding. Identification of certain issues as common issues does not necessarily mean that they should be decided the same way in both proceedings.

7. The issues related only to this application are:

- The revenue requirement and rate changes, if any, necessary to fund the nuclear decommissioning trusts for Diablo Canyon Power Plant and Humbolt Bay Power Plant Unit 3;
- The revenue requirement and rate changes, if any, necessary to fund SAFSTOR operations and maintenance expenses for Humbolt Bay Power Plant Unit 3; and
- Whether the early and partial decommissioning project expenditures for Humbolt Bay Power Plant Unit 3, proposed in Advice Letter 2095-E, are reasonable, and whether to allow the costs incurred to be recovered from the nuclear decommissioning trust.

8. The issues common to this application and A.02-03-039 are:

- Escalation factors.
- Rates of return.
- Low level radioactive waste disposal costs.
- The uncertainty of permanent high level waste disposal at Yucca Mountain, Nevada.
- Costs of dry cask storage.
- Contingency factors.
- Inter-generational equity.

9. The Schedule is:

- Parties' testimony August 2, 2002
- PG&E's rebuttal testimony August 23, 2002
- Hearings September 16-27, 2002²
- Opening briefs October 28, 2002
- Reply briefs November 15, 2002
- Submission date November 15, 2002
- Presiding officer's decision February 13, 2003
- Final Commission Decision April 14, 2003

10. This schedule may be changed for good cause. However, this matter is expected to conclude by April 14, 2003, and in no event later than 18 months from the date of filing.

11. The evidentiary hearings will be held at the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. Hearings will begin at 10:00 a.m., on September 16 and 23, 2002, and at 9:30 a.m., on the other days.

² Hearings will be held in this application and A.02-03-039 during this two-week period. Hearings on the issues unique to PG&E's application will be held beginning on September 16, 2002. Hearings on the issues unique to SCE and SDG&E's application will be held beginning on September 18, 2002. Consolidated hearings on issues common to both applications will be held beginning on September 23, 2002.

12. The ex parte rules applicable to ratesetting proceedings are specified in Rule 7(c) of the Commission's Rules of Practice and Procedure. Ex parte communications are subject to reporting requirements set for the in Rule 7.1.

Dated June 10, 2002, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling and Scoping Memo on all parties of record in this proceeding or their attorneys of record.

Dated June 10, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.